# EXHIBIT 2 VERIFIED STATEMENT OF ALLAN BROWN

### VERIFIED STATEMENT

- I, Allan Brown, assistant secretary of National Minority TV,
  Inc., and Vice President of Finance of Trinity Christian Center of
  Santa Ana, Inc., hereby declare and state as follows:
- 1. In 1990 I moved from Oklahoma City, Oklahoma, where I managed KTBO-TV, Channel 14, Oklahoma City, licensed to Trinity Broadcasting of Oklahoma City, Inc. to southern California to work as the assistant vice president for finance at Trinity Christian Center of Santa Ana. In late-1990, or early-1991, I thought I had been elected as assistant secretary of National Minority TV, Inc. Dr. Paul Crouch is the president of both National Minority TV, Inc. and Trinity, and the two organizations work closely together. Both are nonprofit public charities. I was elected as assistant secretary of National Minority TV, Inc. on January 14, 1992.
- 2. Because I believed I had been elected as an assistant secretary of National Minority TV, Inc. I had signed signature cards with the Bank of California authorizing me to sign checks on behalf of National Minority TV, Inc. Accordingly, in March 1991, when I executed a check in the amount of \$400,000 on behalf of National Minority TV, Inc. (copy attached), I did so with the honest understanding that I was in fact an assistant secretary.
- 3. Subsequently, in August 1991, I signed another check on behalf of National Minority TV, Inc. in the amount of \$3,600,000 (copy attached). At all times, I believed I was authorized to sign checks on behalf of National Minority TV, Inc. and I had taken all the necessary steps to put myself in that position with the Bank of

California. As noted above, I am currently an assistant secretary of National Minority TV, Inc.

This statement is provided under penalty of perjury in accordance with the laws of the State of California and the United States of America, and was made this Aday of February 1992.

By: allan Brown

# EXHIBIT 3 TBN/NMTV PROGRAM AFFILIATION AGREEMENTS

# AFFILIATION AGREEMENT

- B. <u>Television Station or broadcaster</u> is understood to mean a television broadcast station authorized by the FCC under Part 73 of the Commission's Rules and Regulations and the licensee thereof.
- C. FCC authorizations are understood to mean constuction permits and/or licenses to broadcast issued by the Federal Communications Commission.
- D. <u>Airtime</u> is understood to mean the period of time during which a television broadcast signal is being transmitted.
- E. Community of license is understood to mean the community for which the Broadcaster has been licensed to broadcast.
- F. <u>CATV System</u> is understood to mean a community antenna television system authorized by Part 76 of the Commission's Rules and Regulations.
- G. Regularly scheduled programs are programs which have been aired at the same time, with the same title and duration for a period of four (4) months.
- H. Optional programs (or programming) are programs which do not appear in the attached current TBN program schedule (Exhibit A), or subsequent updated TBN program schedules.
- I. Prime time is understood to be five (5) o'clock P.M. to eleven (11) o'clock P.M., Pacific Standard Time.

# 2. Programming.

Broadcaster shall have such rights to broadcast TBN's programming as follows:

- (a) TBN shall offer to Broadcaster, for broadcast by its television station, the full schedule of TBN programming, which shall not be less than twelve (12) hours per day. However, TBN shall not be obligated to offer Broadcaster such programs as TBN, in its sole discretion, elects ot to have broadcast in a particular community or communities.
  - (b) Broadcaster shall pay Trinity Broadcasting Network as follows:

Broadcaster shall pay Trinity Broadcasting Network for the carriage of the "PRAISE THE LORD" program aired by broadcasters during prime—time, or for such a program of similiar format and length, which Trinity Broadcasting Network shall designate pursuant to subparagraphs 6 (a), the sum of twenty percent (20%) of zip code revenue received per month.

(c) From time-to-time, TBN may make optional programming available to Broadcaster. Broadcaster may accept and broadcast such optional programming by notifying TBN. Such acceptance notification by Broadcaster must be within three (3) days (exclusive of Saturdays, Sundays, and holidays designated as such by the United States Congress) after TBN makes the offer of such optional programming. In the event Broadcaster does not accept the optional programming offered by TBN, TBN shall be free to make such programming available to any other broadcaster or CATV system serving Broadcaster's community of license.

### 3. Delivery.

(a) Broadcaster agrees to construct a domestic satellite earth station suitable for receiving program material distributed by TBN. TBN will deliver its programming to Broadcaster via satellite, program

transmission lines or radio relay lines (hereinafter collectively referred to as "via satellite").

- (b) If, for any reason, the transmission of any program via satellite is not feasible, or is determined by TBN to be impractical or undesirable, such program may be delivered to Broadcaster, at TBN's expense, in the form of tape or other recorded version.
- (c) In cases where programs are not transmitted to Broadcaster via satellite, TBN may deliver to Broadcaster, transportation charges prepaid, a video tape or other recorded version of the program sufficiently in advance to enable broadcast of the program at the scheduled time. Unless TBN directs otherwise, each such recorded version, and the reels and containers furnished therewith, shall be returned to TBN in as good condition as when received (reasonable wear and tear expected) immediately after the single television broadcast of the program.

### Program Rights and Recording.

All right and title in and to all programming, including without limitation, all copyrights, titles, names, stories, plots, incidents, ideas, formulas, formats, general content of the program, and other literary, artistic and musical or other creative material, other than that in the public domain, shall remain vested in TBN. Broadcaster agrees not to authorize, cause or permit TBN programming to be used for any purpose other than broadcast or promotion by Broadcaster. Broadcaster shall not allow any recordings or tape delayed transmission by any other person for any purpose whatsoever.

# 5. <u>Broadcaster's Right to Substitute.</u>

Nothing contained herein shall prevent or hinder Broadcaster from

rejecting or refusing to broadcast any program which Broadcaster reasonably believes is necessary in order to comply with the FCC's Rules and Regulations, or from substituting for any program, regardless of content, a program of outstanding local or national importance.

# 6. Payment.

Broadcaster shall pay Trimity Broadcasting Network as follows:

- (a) Broadcaster shall pay Trinity Broadcasting Network for the carrige of the "PRAISE THE LORD" program aired by broadcasters during prime—time, or for such a program of similiar format and length, which Trinity Broadcasting Network shall designate pursuant to subparagraphs 2 (b), the sume of twenty percent (20%) of zip code revenue received per month.
- (b) Broadcaster shall carry a minimum of nine (9) other hours of TBN programming at whatever time Broadcaster shall decide. Consideration for the broadcast of such programming by Broadcaster is included in the package sum paid by Broadcaster to TBN in accordance with paragraph 6 (a) above.
- (c) Broadcaster is free to carry any other TBN programming provided via satellite not specified in paragraph 7(a) and 7(b) below without charge.

### 7. Broadcaster Covenants.

Programming accepted by Broadcaster shall be subject to the following conditions:

(a) Broadcaster shall not, without prior written permission of TBN, make any deletions from or additions to the "PRAISE THE LORD" program, or such similiar program as is designated pursuant to subparagraph 2(b)

above, or insert any commercial or other announcements therein.

- (b) Broadcaster shall not, without TBN's prior written authorization, sell unsponsored TBN programs for commercial sponsorship.
- (c) Broadcaster shall not delete the TBN identification, or the program promotional or production credit announcements from any "PRAISE THE LORD" program, or other similiar program designated pursuant to subparagraph 2(b) above, except that Broadcaster may omit announcements pertaining to a program that Broadcaster is not going to broadcast. For any such deleted material, Broadcaster may substitute only promotional announcements pertaining to other TBN programs, or public service announcements of Broadcaster.
- (d) For TBN programming other than that referred to in subparagraph 7(c) above, Broadcaster shall not delete the TBN identification, nor shall it insert during any TBN programming, any announcements or advertisements which shall be inconsistent with TBN's fundamental Christian morals and standards which include, but are not limited to any and all "R" or "X" rated movie advertising; advertising for contraceptives, alcoholic beverages; or feminine hygiene products of a personal nature, or abortion clinics; any advertising containing desirable connotations in reference to the occult, witchcraft, astrology, horoscopes, magic (such as mystic science), gambling, tobacco products, controlled substances or sexual promiscuity. If Broadcaster inserts any announcements which TBN deems inconsistent with the standards set forth above, the same shall be considered a breach of the Agreement and TBN shall have the right to immediately terminate the Agreement.

### 8. Delayed Broadcasts.

If TBN offers a program that Broadcaster is unable to broadcast at the time of the proposed transmission, and if TBN and Broadcaster shall agree on a delayed broadcast of it from video tape or other recorded version, the following provisions shall apply:

- (a) each party shall be compensated for the delayed program as though it has been carried directly;
- (b) at the time of each delayed broadcast, Broadcaster shall announce that the program is a tape or other recoreded version of a program that was presented earlier.
- (c) Broadcaster shall use each such tape or other recorded version only for the purpose herein contemplated, broadcasting it only at the time agreed upon and comply with TBN's instructions concerning its disposal.
- (d) TBN reserves the right to discontinue, upon 24 hours notice, any arrangements with respect to any delayed broadcasts of TBN programs.

### 9. Performing Rights Licenses.

TEN shall maintain such licenses, including performing rights licenses, as now are or hereafter may be in general use by television broadcasting stations and as may be necessary to enable broadcast of TEN's programs. TEN shall endeavor to enter into appropriate arrangements to clear at the source all music in the repertory of American Society of Composers, Authors and Publishers (ASCAP), Broadcast Music, Inc., (BMI), and of SESAC, Inc., used in TEN programming, thereby licensing the broadcast of music in such programs over Broadcaster's station.

### 10. Indemnification.

TBN will indemnify and hold Brodcaster harmless from and against any and all claim, damage, liability, cost, or expense (including legal fees, provided TBN has the option of either providing necessary legal services or agreeing with Broadcaster in the selection of such legal representation) reasonably incurred and arising from the broadcast of any material supplied by TBN. Broadcaster will likewise indemnify and hold harmless TBN from and against any claim, damage, liability, cost or expense (including legal fees) reasonably incurred, arising from the broadcast of any material other than that supplied by TBN.

### 11. Warranties.

TBN and Broadcaster each represent and warrant to the other that each has the necessary power and authority to enter into this Agreement and fully perform its obligations hereunder.

### 12. Force Majeure.

TBN shall not be liable to Broadcaster for failure to deliver any program by reason of an act of God, labor disputes, breakdown of facilities, fire, flood, legal enactment, governmental order or regulation, or any other cause beyond its control. Broadcaster in turn, shall not be liable to TBN for failure by reason of any of the aforesaid contingencies to broadcast any TBN program Broadcaster has previously accepted or is obligated to accept and broadcast. Broadcaster shall not have the right to payment for any program not broadcast by reason of the aforesaid contingencies.

### 13. Cancellation.

This Agreement may be cancelled upon the following terms:

- (a) If the transmitter location, power or frequency of the station is changed at any time so as to effect adversely the area or population coverage of Broadcaster's station, TBN may terminate this Agreement upon 60 days written noice to Broadcaster.
- (b) If Broadcaster airs programs or announcements immediately prior to or following the broadcast of TBN programming which are inconsistant with the fundamental Christian moral standards set out in paragraphs 9(d) above, this Agreement may be cancelled immediately by TBN by providing written notice of cancellation to the Broadcaster.
- (c) Either party may cancel this Agreement at any time by providing 120 days written notice.
- (d) Upon serving written notice of the execution of an agreement contemplating the transfer or assignment of the Broadcaster's authority to operate its station, such as would require the filing of an FCC form 314 or 315, or successor forms of similiar import, TBN may terminate this Agreement upon 30 days written notice.

# 14. Duration.

 renew. Such notice shall be given at least 120 days prior to the expiration of the then current term.

### 15. Notices.

# 16. General Provisions.

- (a) The waiver by either party of a breach or default by the other shall not be deemed to constitute a waiver of any preceding or subsequent breach or default of the same or any other provision.
- (b) This Agreement may not be modified, renewed or discharged, except as herein specifically provided, or by an agreement in writing signed by both parties.
- controversies of every kind and nature between the parties hereto arising out of, or in connection with, this Agreement as to existance, construction, validity, interpretation or meaning, performance, non-performance, enforcement, operation, breach, continuance or termination thereof, shall be arbitrated in Los Angeles or Orange County, California by a third person acceptable to the parties under the rules then obtaining of the American

Arbitration Association or the Christian Legal Society's arbitration service. Both parties agree to be bound by the decision of the arbitrator. The cost of such an arbitration shall be borne as the award may direct. The award shall be rendered in such form that judgement shall be entered thereon in the highest court of the forum having jurisdiction thereof.

- (a) This Agreement shall be governed by the laws of the state of California.
- This constitutes the entire Agreement between the parties, all prior understandings are hereby merged herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

NATIONAL MINORITY TELEVISION, INC.

TRINITY BROADCASTING NETWORK, INC.

BY: And Digf BY;

### AFFILIATION AGREEMENT

AGREEMENT by and between Trinity Broadcasting Network, Inc., (TBN),
Santa Ana, California, P.O. Box A, Santa Ana, California, 92711, and
mm 17/ , a non-profit Ca
corporation (Broadcaster), licensee of full power television broadcast
station 1707, Salfand, On, on Channel 24, hereby
mutually covenant and agree, as of this day of
19 KG, as follows:

### WITNESSETH:

WHEREAS, TBN believes its programming to be of special significance to certain segments of society; and

WHEREAS, TBN places great value in the distribution and dissemination of its specialty religious programming; and

WHEREAS, TBN wishes to foster the development of religious broadcasting by allowing new broadcasters to broadcast its programming; and

WHEREAS, Broadcaster recognizes the programming excellence of TBN, and the technical and financial benefits extended to it through an affiliation with TBN:

NOW THEREFORE, the parties, in consideration of the terms and conditions contained herein, mutually agree to be bound by this agreement in its entirety as follows:

### 1. <u>DEFINITIONS</u>

A. <u>FCC</u> and the <u>Commission</u> are both understood to mean the Federal Communications Commission.

- B. <u>Television Station or broadcaster</u> is understood to mean a television broadcast station authorized by the FCC under Part 73 of the Commission's Rules and Regulations and the licensee thereof.
- C. <u>FCC authorizations</u> are understood to mean constuction permits and/or licenses to broadcast issued by the Federal Communications Commission.
- D. Airtime is understood to mean the period of time during which a television broadcast signal is being transmitted.
- E. <u>Community of license</u> is understood to mean the community for which the Broadcaster has been licensed to broadcast.
- F. <u>CATV System</u> is understood to mean a community antenna television system authorized by Part 76 of the Commission's Rules and Regulations.
- G. Regularly scheduled programs are programs which have been aired at the same time, with the same title and duration for a period of four (4) months.
- H. Optional programs (or programming) are programs which do not appear in the attached current TBN program schedule (Exhibit A), or subsequent updated TBN program schedules.
- I. Prime time is understood to be five (5) o'clock P.M. to eleven (11) o'clock P.M., Pacific Standard Time.

# 2. Programming.

Broadcaster shall have such rights to broadcast TBN's programming as follows:

- (a) TBN shall offer to Broadcaster, for broadcast by its television station, the full schedule of TBN programming, which shall not be less than twelve (12) hours per day. However, TBN shall not be obligated to offer Broadcaster such programs as TBN, in its sole discretion, elects ot to have broadcast in a particular community or communities.
  - (b) Broadcaster shall pay Trinity Broadcasting Network as follows:

Broadcaster shall pay Trinity Broadcasting Network for the carriage of the "PRAISE THE LORD" program aired by broadcasters during prime-time, or for such a program of similiar format and length, which Trinity Broadcasting Network shall designate pursuant to subparagraphs 6 (a), the sum of twenty percent (20%) of zip code revenue received per month.

- (c) From time-to-time, TBN may make optional programming available to Broadcaster. Broadcaster may accept and broadcast such optional programming by notifying TBN. Such acceptance notification by Broadcaster must be within three (3) days (exclusive of Saturdays, Sundays, and holidays designated as such by the United States Congress) after TBN makes the offer of such optional programming. In the event Broadcaster does not accept the optional programming offered by TBN, TBN shall be free to make such programming available to any other broadcaster or CATV system serving Broadcaster's community of license.
  - 3. Delivery.
- (a) Broadcaster agrees to construct a domestic satellite earth station suitable for receiving program material distributed by TBN. TBN will deliver its programming to Broadcaster via satellite, program

transmission lines or radio relay lines (hereinafter collectively referred to as "via satellite").

- (b) If, for any reason, the transmission of any program via satellite is not feasible, or is determined by TBN to be impractical or undesirable, such program may be delivered to Broadcaster, at TBN's expense, in the form of tape or other recorded version.
- via satellite, TBN may deliver to Broadcaster, transportation charges prepaid, a video tape or other recorded version of the program sufficiently in advance to enable broadcast of the program at the scheduled time. Unless TBN directs otherwise, each such recorded version, and the reels and containers furnished therewith, shall be returned to TBN in as good condition as when received (reasonable wear and tear expected) immediately after the single television broadcast of the program.

### 4. Program Rights and Recording.

All right and title in and to all programming, including without limitation, all copyrights, titles, names, stories, plots, incidents, ideas, formulas, formats, general content of the program, and other literary, artistic and musical or other creative material, other than that in the public domain, shall remain vested in TBN. Broadcaster agrees not to authorize, cause or permit TBN programming to be used for any purpose other than broadcast or promotion by Broadcaster. Broadcaster shall not allow any recordings or tape delayed transmission by any other person for any purpose whatsoever.

# 5. <u>Broadcaster's Right to Substitute.</u>

Nothing contained herein shall prevent or hinder Broadcaster from

rejecting or refusing to broadcast any program which Broadcaster reasonably believes is necessary in order to comply with the FCC's Rules and Regulations, or from substituting for any program, regardless of content, a program of outstanding local or national importance.

### 6. Payment.

Broadcaster shall pay Trinity Broadcasting Network as follows:

- (a) Broadcaster shall pay Trinity Broadcasting Network for the carrige of the "PRAISE THE LORD" program aired by broadcasters during prime—time, or for such a program of similiar format and length, which Trinity Broadcasting Network shall designate pursuant to subparagraphs 2 (b), the sume of twenty percent (20%) of zip code revenue received per month.
- (b) Broadcaster shall carry a minimum of nine (9) other hours of TBN programming at whatever time Broadcaster shall decide. Consideration for the broadcast of such programming by Broadcaster is included in the package sum paid by Broadcaster to TBN in accordance with paragraph 6 (a) above.
- (c) Broadcaster is free to carry any other TBN programming provided via satellite not specified in paragraph 7(a) and 7(b) below without charge.

# 7. Broadcaster Covenants.

Programming accepted by Broadcaster shall be subject to the following conditions:

(a) Broadcaster shall not, without prior written permission of TBN, make any deletions from or additions to the "PRAISE THE LORD" program, or such similiar program as is designated pursuant to subparagraph 2(b)

above, or insert any commercial or other announcements therein.

- (b) Broadcaster shall not, without TBN's prior written authorization, sell unsponsored TBN programs for commercial sponsorship.
- (c) Broadcaster shall not delete the TBN identification, or the program promotional or production credit announcements from any "PRAISE THE LORD" program, or other similar program designated pursuant to subparagraph

# 8. Delayed Broadcasts.

If TBN offers a program that Broadcaster is unable to broadcast at the time of the proposed transmission, and if TBN and Broadcaster shall agree on a delayed broadcast of it from video tape or other recorded version, the following provisions shall apply:

votation, the tottowing browing and it apply.
(-)
(a) each party shall be compensated for the delayed program as
<u> </u>
* <del>{</del>
of the second of
•
1-p ,
-
ł•

### 10. Indemnification.

TBN will indemnify and hold Brodcaster harmless from and against any and all claim, damage, liability, cost, or expense (including legal fees, provided TBN has the option of either providing necessary legal services or agreeing with Broadcaster in the selection of such legal representation) reasonably incurred and arising from the broadcast of any material supplied by TBN. Broadcaster will likewise indemnify and hold harmless TBN from and against any claim, damage, liability, cost or expense (including legal fees) reasonably incurred, arising from the broadcast of any material other than that supplied by TBN.

### 11. Warranties.

TBN and Broadcaster each represent and warrant to the other that each has the necessary power and authority to enter into this Agreement and fully perform its obligations hereunder.

### 12. Force Majeure.

TBN shall not be liable to Broadcaster for failure to deliver any program by reason of an act of God, labor disputes, breakdown of facilities, fire, flood, legal enactment, governmental order or regulation, or any other cause beyond its control. Broadcaster in turn, shall not be liable to TBN for failure by reason of any of the aforesaid contingencies to broadcast any TBN program Broadcaster has previously accepted or is obligated to accept and broadcast. Broadcaster shall not have the right to payment for any program not broadcast by reason of the aforesaid contingencies.

### 13. Cancellation.

This Agreement may be cancelled upon the following terms:

- (a) If the transmitter location, power or frequency of the station is changed at any time so as to effect adversely the area or population coverage of Broadcaster's station, TBN may terminate this Agreement upon 60 days written noice to Broadcaster.
- (b) If Broadcaster airs programs or announcements immediately prior to or following the broadcast of TBN programming which are inconsistant with the fundamental Christian moral standards set out in paragraphs 9(d) above, this Agreement may be cancelled immediately by TBN by providing written notice of cancellation to the Broadcaster.
- (c) Either party may cancel this Agreement at any time by providing 120 days written notice.
- (d) Upon serving written notice of the execution of an agreement contemplating the transfer or assignment of the Broadcaster's authority to operate its station, such as would require the filing of an FCC form 314 or 315, or successor forms of similiar import, TBN may terminate this Agreement upon 30 days written notice.

### 14. Duration.

This Agreement shall become effective at three (3) o'clock p.m., Pacific Standard Time on the <u>James 1989</u>.

Unless sooner terminated as hereinabove provided, this Agreement shall continue for a period of five (5) years. Thereafter it shall be renewed on the same terms and conditions for successive periods of five years each, unless and until either party notifies the other of its intention not to

renew. Such notice shall be given at least 120 days prior to the expiration of the then current term.

### 15. Notices.

Any such notices given or required to be given hereunder shall be in writing, and shall be transmitted by prepaid mail or telegram addressed to TBN at P.O. Box C-11949, Santa Ana, California 92711, and to Broadcaster at 432 Northeast 74th Street, Portland, Oregon 97213, or at such other address as either party may specify by notice similarly sent. Where notice is given by mail or telegram, the date of mailing or the date of delivery to the telegraph office, as the case may be, shall be deemed the date of giving notice.

### 16. General Provisions.

- (a) The waiver by either party of a breach or default by the other shall not be deemed to constitute a waiver of any preceding or subsequent breach or default of the same or any other provision.
- (b) This Agreement may not be modified, renewed or discharged, except as herein specifically provided, or by an agreement in writing signed by both parties.
- (c) The parties to this Agreement intend that all disputes and controversies of every kind and nature between the parties hereto arising out of, or in connection with, this Agreement as to existence, construction, validity, interpretation or meaning, performance, non-performance, enforcement, operation, breach, continuance or termination thereof, shall be arbitrated in Los Angeles or Orange County, California by a third person acceptable to the parties under the rules then obtaining of the American